

Central Intelligence Agency



Washington, D.C. 20505

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29 December 1988

OCA 4089-88

MEMORANDUM FOR: Ms. Opal Andrews
Department of Defense

Defense Intelligence Agency

Mr. Ernest Mayerfeld
National Security Agency

Mr. Bob Winchester
Department of the Army

Mr. Steve Hooks
Federal Bureau of Investigation

SUBJECT: Intelligence Authorization Bill for Fiscal
Years 1990 and 1991

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1. This memorandum is to update you on the status of the Intelligence Authorization bill. The draft bill was forwarded to the Director on 27 December. The bill was drafted as a two year bill because of the requirement contained in the DoD Authorization Act for 1986 requiring a two year DoD bill. It is not likely that Congress will enact a two year bill.

2. Although the Director has not yet acted on my recommendations, I thought you would find it helpful to know what my recommendations were with respect to provisions originated by your agency or department that were controversial. Many of the provisions are noncontroversial and I expect the Director will fully approve those provisions.

3. Noncontroversial DIA and NSA Provisions. I have categorized as noncontroversial five proposals by DIA and NSA. These proposals are as follows:

--Section 501 would exempt from taxation certain benefits provided to DIA and NSA employees overseas.

--Section 503 would provide authority for the Defense Intelligence College to accept gifts.

--Section 505 would permanently extend the authority of the Secretary of Defense to terminate DIA civilian personnel of the DIA.

--Section 506 would allow DIA employees overseas to receive the same benefits as State Department employees receive.

--Section 513 would create for DIA an undergraduate level training program for minorities similar to the program under way in the Agency and NSA.

4. Controversial DIA and NSA Provisions. I have categorized as controversial two DIA/NSA provisions. Section 502 of the bill would establish foreign language proficiency incentive pay for civilian intelligence personnel in DoD. The Deputy Assistant Secretary of Defense for Intelligence has stated that the amount of incentive pay is excessive. I have recommended to the Director that the incentive pay proposed by DIA remain in the bill.

5. Section 504 of the bill would exempt the Director and Deputy Director of DIA and the Director of NSA from the general and flag officer grade ceilings in DoD. I have noted to the Director that he has an interest in this provision as a means to help ensure that the uniformed services offer the strongest possible candidates for these important posts. I have also noted opposition to this proposal within the Force, Management and Personnel Office of the DoD. I have recommended to the Director that he retain this provision in the bill.

6. Noncontroversial Army Provisions. I have categorized as noncontroversial four Army proposals. These proposals are as follows:

--Section 508 would delete the requirement for Senate confirmation for promotion of certain Army officers involved in intelligence activities.

--Section 509 would waive the physical and residency requirement for members of the U.S. Army Russian Institute in W. Germany who have defected to the West and are seeking U.S. citizenship.

--Section 510 would permanently extend the authority of the Secretary of Defense to terminate any civilian intelligence officer or employee of a military department.

--Section 511 would authorize the Secretary of the Army to employ personal services in order to hire instructors at a classified facility.

7. Controversial Army Proposals. I have categorized as controversial two Army proposals. Section 507 of the bill would amend the Intelligence Identities Act. The amendment brings within that Act's protection three new classes of intelligence sources. Several years ago we deleted this

amendment from the bill because of concerns that the Army had not been able to demonstrate that there had been a pattern of disclosure of names of such sources that would justify amending the Act. Although it will be difficult to obtain Congressional passage of this amendment because demonstrated harm has not occurred, I have recommended to the Director that he retain this provision in the bill and give the Army a chance to obtain Congressional approval.


8. Section 512 of the bill would require the Secretary of Defense to report to the House and Senate Intelligence Committees on whether critical intelligence requirements in DoD were not being met because of an inability to recruit former members of the uniformed services. The study would address the effect of the prohibition on a rehired annuitant receiving a full annuity and would grant the Secretary of Defense limited authority to allow former members of the uniformed services to receive a full annuity when rehired by the Department of Defense. The Army had originally proposed much broader legislative relief. The provision is likely to be controversial within the Administration since it gives a special benefit to retired members of the uniformed services that is not available to anyone else who is rehired as a staff employee in government. Nevertheless, I have recommended to the Director that he retain the provision in the bill for now. —

9. FBI Proposals. I have categorized as noncontroversial two FBI proposals. These proposals are as follows:

--Section 601 would require a consumer reporting agency to provide information to the FBI in certain foreign counterintelligence investigations.

--Section 602 amends the Social Security Act to allow the FBI access to information related to the current and former residence and employment of individuals believed to be acting on behalf of a foreign power.

10. The next step in the Intelligence Authorization bill process will be for the Director to make his decisions on which items will be forwarded to OMB. I will, of course, inform you when the Director has made his decision on this matter.


John L. Helgerson
Director of Congressional Affairs

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